



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

July 14, 1978

No. 78/119

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 26

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

ASSEMBLY BILLS

No. 3409 - Amended July 4, 1978

An act to amend Sections 1623 and 1626 of the Revenue and Taxation Code, relating to taxation.

Existing law provides that the term of office of members of assessment appeals boards begins on the first Monday in June, except in counties of the first class where such terms begin on the first Monday in September.

This bill would provide that the terms begin on the first Monday in September in all counties, that members continue to serve until their successors take office, and that a member whose term has expired may continue to serve for up to 60 days with respect to matters on which the hearing had commenced prior to the expiration of the member's term.

No. 3657 - Amended June 22, 1978

An act to add Chapter 4 (commencing with Section 815) to Title 2 of Part 2 of Division 2 of the Civil Code, and to add Sections 17214.6 and 24357.7 to the Revenue and Taxation Code, relating to conservation easements.

Existing law provides for the acquisition of an open-space easement by a nonprofit organization, as defined, under specified circumstances, but makes no provision for the creation or acquisition of conservation easements.

This bill would provide for the creation of a conservation easement, as defined, and would provide for its acquisition by a nonprofit organization, as defined.

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ASSEMBLY BILLS (Contd.)No. 3657 - (Contd.)

This bill would specify the requirements for creation, transfer, and termination of such an easement and the remedies available for the enforcement of such an easement.

It would also specify that such an easement constitutes an enforceable restriction to be considered in the assessment of value for property tax purposes of property subject to such an easement.

Existing provisions of the Personal Income Tax Law and Bank and Corporation Tax Law grant a taxpayer a deduction in the computation of income subject to taxes for gifts or contributions to specified government bodies or specified private entities.

This bill would provide that no such deduction shall be allowed with respect to the grant of a conservation easement unless the easement is granted in perpetuity and the real property which is subject to such easement has been determined by the assessor in a subsequent year assessment to have been reduced in value as a result of the grant of the easement.

SENATE BILLSNo. 1464 - Amended June 30, 1978

An act to amend Section 50286 of the Government Code, and to amend Sections 205.5, 218, 219, 273.5, 275, 276, 401, 435, 619, 619.2, 722, 1606, 1637, 2261, 2262, 2263, 2263.4, 2264, 2611.5, 4836.5, 11251, 11401, 20542 and 29543 of, and to add Sections 135, 205.1, 2217, and 2905.5 to, the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing law, all property subject to general property taxation is annually assessed at 25% of its full cash value.

This bill would require that such assessments be at 100% of full cash value, and would require all local agencies, as defined, to adjust their property tax rates, so that they will receive no additional revenue by reason of the change in the assessment ratio.

The bill, in addition, would make related and conforming changes, and would appropriate a specified amount of money from the State General Fund to reimburse local agencies for costs incurred by them by reason of the bill.

The provisions of the bill would become operative on January 1, 1980.

No. 1656 - Amended July 4, 1978

An act to add Section 11 to the Education Code, to amend Sections 29100, 50286, and 51511 of, and to add Sections 16101.5 and 43004.5 to, the Government Code, to amend Section 33326 of, and to add Section 33670.5 to, the Health and Safety Code, to amend Sections 205.5, 218, 273.5, 275, 276, 401, 435, 619, 619.2, 722, 1606, 1637, 2611.5, 2905, 4836.5, 11251, ~~and 11401~~ 11401, and 29543 of, and to add Sections 135, 205.1, and 2260.5 to, the Revenue and Taxation Code, and to add Section 22 to the Welfare and Institutions Code, relating to property taxation.

Under existing law all property subject to general property taxation is annually assessed at 25% of its full cash value.

This bill would require such assessments be at full cash value for the 1980-81 fiscal year and fiscal years thereafter and would require local

SENATE BILLS (Contd.)No. 1656 - (Contd.)

agencies to adjust their property tax rates so that they will receive no additional revenue by reason of the change in the method of assessment.

The bill would make related and conforming changes.

The bill would not become operative unless S.C.A. 60 is approved by the voters.

SENATE CONSTITUTIONAL AMENDMENTSNo. 60 - Amended July 4, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by adding Section 3.5 to Article XIII, relating to taxation.

Existing constitutional law provides that all property is subject to property taxation, unless an exemption is otherwise provided in the Constitution. Moreover, with minor exceptions, all property is required to be assessed for property taxation purposes at a uniform percentage of its fair market value. The Legislature has established this ratio at 25%.

The \$1,000 exemption from property taxation, provided for the Constitution, for veterans, unmarried spouses of deceased veterans, and parents of deceased veterans, and the dollar limitations thereon, have been interpreted by the California courts to be based on the assessed value of taxable property and the full value of other property.

This measure would require the Legislature to revise these figures to maintain the same proportionate value for the veterans' exemptions and limitations thereon in any year in which the assessment ratio is changed.

No. 61 - Amended July 4, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by adding Section ~~3.7~~ 37 to Article XIII, relating to taxation.

The existing Constitution does not provide for a limit on the annual appropriations of the Legislature ~~provides that all property is taxable unless exempted.~~

This bill would place a limit upon the annual appropriations of the Legislature pursuant to a specified formula and with specified exceptions. Such provisions would be effective commencing with the 1980-81 fiscal year ~~authorize the Legislature to provide by law for the exemption from property taxation of qualified industrial or commercial real property for 5 years following the rehabilitation of such real property.~~

No. 67 - June 27, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by amending Sections 1, 2, and 4 of Article XIII A thereof, relating to taxation.

Existing constitutional law, as revised by the addition of Article XIII A to the California Constitution, limits ad valorem taxes on real property to 1% of the full cash value of such property, as defined.

TO COUNTY ASSESSORS

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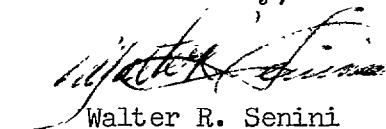
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SENATE CONSTITUTIONAL AMENDMENTS (Contd.)

No. 67 - (Contd.)

This measure would make various clarifying changes to the provisions of Article XIII A of the California Constitution.

Sincerely,



Walter R. Senini
Chief of Operations
Property Tax Department

WRS:sk
Enclosures